

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK
RATIONALIZATION SERVICE CHANGES, 2012

DOCKET No. N2012-1

**RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION WITNESS
MAX HEATH TO INTERROGATORIES OF UNITED STATES POSTAL
SERVICE, USPS/NNA T-1 1-12
(May 21 2012)**

The National Newspaper Association Witness Max Heath (NNA-T-1)
hereby submits his responses to the interrogatories of the United States Postal
Service, USPS/NNA T1-1 through 12.

Respectfully submitted,

Tonda F. Rush
Counsel to National Newspaper Association

King & Ballow
PO Box 50301
Arlington, VA 22205
May 21, 2012

**RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION WITNESS MAX
HEATH TO INTERROGATORIES OF USPS**

USPS/NNA-T1-1. Please refer to your testimony on page 4, lines 12 through 14. You state, "As the nation's dialogue on the future of the Postal Service and the digital future continues, I find myself having to debunk two myths--that people no longer read newspapers, and that newspapers are now being read mostly online." Please identify specific persons or entities that have asserted either that "people no longer read newspapers" or that "newspapers are now being read mostly online."

RESPONSE:

I was not referring to any specific individual, but rather to my own experience in general conversation. It is not uncommon for people who learn I work in the newspaper business to comment that they believe printed newspapers have been replaced by electronic publications.

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USPS/NNA-T1-2. Please refer to your testimony on page 4, lines 17 through 22. You state, "For the past six years, NNA has conducted one national survey a year in conjunction with the RJ Reynolds Institute at the University of Missouri. Our researcher conducts a statistically valid survey of America's small towns, focusing on communities of 15,000 people or fewer. Each year, results demonstrate the same truth: people in smaller communities must have their newspapers." Please also refer to subsection (k) of Rule 31 of the Commission's Rules of Practice (39 C.F.R. § 3001.31).

- (A) Please provide all information required by Rule 31(k), including the following: a description of the study plan underpinning the survey described in your testimony, a clear description of the study design, all relevant assumptions underpinning the survey, the techniques or procedures used to compile the survey data, the definition of the universe under study, and the sampling frame and units.
- (B) If not provided in response to subpart (A) above, please provide the following: the date (month, day, and year) on which the survey began and the date (month, day, and year) on which the survey ended (*i.e.*, the survey period).
- (C) If not provided in response to subpart (A) above, please provide a complete copy of the survey, including all questions posed to survey participants, all instructions provided to survey participants, and complete copies of the individual survey responses received from participants. Names of specific individuals may be redacted.
- (D) If not provided in response to subpart (A) above, please provide the total number of persons who were provided with an opportunity to participate in the survey. Please also identify any criteria that were used to determine which persons would be provided with an opportunity to participate in the survey.
- (E) On what basis do you conclude that the survey is "statistically valid"?

RESPONSE:

(A) (B) (D) & (E) I am providing a full copy of the study as NNA LR-N2012-1/2.

The study report explains its methodology, provides the questions and explains how participants were selected and surveyed. The methodology, survey instrument and sample selection are explained on pgs. 1-3. The survey was conducted by telephone in August and October, 2011, as noted on p. 3. It was directed to randomly-selected telephone numbers in

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NNA/USPS T1-2 (con't)

communities served by newspapers with circulations under 15,000. The questions posed in the survey are detailed in the various explanations of responses throughout the report.

(C) I do not have the original responses. I have access only to the RJI final report, which is provided to NNA members.

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USPS/NNA-T1-3. Please refer to your testimony on page 6, lines 3 through 5. You state, “Pew explained in its ‘State of the News Media’ report that although the newspaper industry at large is making mighty efforts to find a viable digital future, digital advertising dollars do not come close to making up the losses from print.” Please provide an internet link to a copy of the Pew report or file a PDF copy of the report as a library reference.

RESPONSE:

The most recent “State of the News Media” report is available at this link.

<http://stateofthemedias.org/2012/overview-4/key-findings/>

Please note in specific the section under the heading “Economics” that states:

Newspapers: Apart from local TV, whose ad sale trends are tied to the ebb and flow of political cycles, newspapers fared worse than other media sectors economically in 2011. In 2011, print advertising revenues were down approximately \$2.1 billion, or 9.2%. Although online advertising was up approximately \$207 million (6.8%) compared with 2010, those gains do not come close to making up for the losses in print. Losses in print outweighed the gains online by a ratio of roughly 10 to1 combined, online and print ad revenues were down 7.3% in 2011 to \$23.9 billion.

As I stated in my testimony, to the best of my knowledge the Pew studies look primarily at large daily and publicly owned newspapers for which financial reports are publicly available, but I have not interviewed the study authors to verify my belief. I have never seen a comprehensive study of online revenues for community newspapers, which I represent, but judging from the newspapers with which I consult, the availability of online revenue is even more negligible.

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USPS/NNA-T1-4. Please refer to your testimony on page 6, lines 5 through 10. You state, “In 2011, industry print revenues overall were down by \$2.1 billion, while the rapidly growing digital ad market provided only \$207 million. I believe that these numbers are reports from the daily newspaper markets, and are substantially skewed toward data from public companies because information from privately held and community newspapers are almost impossible to aggregate.” Please provide any documents or other sources you relied upon in support of your claims that the figures set forth in the study are “substantially skewed toward data from public companies” and that “information from privately held and community newspapers are almost impossible to aggregate.”

RESPONSE:

I am relying upon my long personal history with newspapers and newspaper associations, as well as on the sources cited in this Pew Report. Please see Footnote #1 at this link:

<http://stateofthemediamedia.org/2012/overview-4/key-findings/#economics>. The study authors cite the Audit Bureau of Circulations as the source of the economic data. While some privately held as well as publicly-held newspapers provide data to the ABC, I know from my personal experience with newspaper auditing firms that most of the data come from public companies and that very few community newspapers use ABC as its auditor because it is too expensive. Rather, they use the sworn postal Statement of Ownership, Management and Circulation each Oct. 1 as proof of circulation, sometimes accompanied by ZIP code breakouts that match, to satisfy advertisers/ad agencies.

As a senior adviser to the National Newspaper Association, which represents the community newspapers, I am keenly aware that NNA does not collect aggregate economic data from its members. We often wish we could, but cost of doing so is prohibitive.

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USPS/NNA-T1-5. Please refer to your testimony on page 7, lines 6 through 10. You state, “NNA’s readership survey indicates that many readers of community newspapers in general receive their newspapers by home delivery. However, despite the soundness of the study otherwise, we do not rely on this number. We believe respondents may be interpreting ‘home delivery’ as ‘I get my newspaper at home,’ as opposed to the office or elsewhere.” Please also refer to subsection (k) of Rule 31 of the Commission’s Rules of Practice (39 C.F.R. § 3001.31).

- (A) Please confirm that the “readership survey” is the same as the survey referenced on page 4, lines 17 through 22, of your testimony. If you do not confirm, please provide, with respect to this “readership survey,” all information requested in USPS/NNA-T1-2 parts (A) through (D).
- (B) Please confirm that the term “soundness” is intended to express your opinion that the study is “statistically valid.” If not confirmed, please define the term “soundness” as you use it in your testimony.
- (C) On what basis do you conclude that the survey is “sound”?
- (D) Please state the basis for your belief that “respondents may be interpreting ‘home delivery’ as ‘I get my newspaper at home,’ as opposed to the office or elsewhere.”

RESPONSES:

- (A) Confirmed.
- (B) I am not referring here to the statistical validity of the survey but to my belief that the question as posed may have been ambiguous.
- (C) I am not a statistician, but the contractor who conducts this survey is. His methodology is reported in the body of NNA LR 2012 1/2.
- (D) I have extensive experience in newspaper circulations. Terms of art used among circulation executives, such as “home delivery” to mean delivery by non-postal carriers, were not spelled out in the survey and the results conflict with my own understanding of distribution methods among community newspapers. The mail constitutes the most important single channel for community newspaper delivery,

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NNA/USPS T1-5 (con't)

particularly in small and rural communities, where motor route carriers are not cost-effective.

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USPS/NNA-T1-6. Please refer to your testimony on page 7, lines 11 through 17. You state, “NNA occasionally conducts informational surveys of our most active members for purposes of testing member interest in a variety of topics. Our most recent poll asked publishers what percentage of their newspapers was delivered by mail. The results ranged from 2% to 97%. These numbers are likely heavily driven by the type of community where the newspaper is published. The more suburban or exurban a newspaper is, the more likely it is to be picked up on newsstands. The more rural, the more likely to have mailed-to-home distribution.” Please also refer to subsection (k) of Rule 31 of the Commission’s Rules of Practice (39 C.F.R. § 3001.31).

- (A) Please provide all information required by Rule 31(k), including the following: a description of the study plan underpinning the survey described in your testimony, a clear description of the study design, all relevant assumptions underpinning the survey, the techniques or procedures used to compile the survey data, the definition of the universe under study, and the sampling frame and units.
- (B) If not provided in response to subpart (A) above, please provide the following: the date (month, day, and year) on which the survey began and the date (month, day, and year) on which the survey ended (i.e., the survey period).
- (C) If not provided in response to subpart (A) above, please provide a complete copy of the survey, including all questions posed to survey participants, all instructions provided to survey participants, and complete copies of the individual survey responses received from participants. Names of specific individuals may be redacted.
- (D) If not provided in response to subpart (A) above, please provide the total number of persons who were provided with an opportunity to participate in the survey. Please also identify any criteria that were used to determine which persons would be provided with an opportunity to participate in the survey.
- (E) Please define the term “community” as you use that term in your testimony. Please include in your explanation whether a “community” is defined by a city, ZIP Code, county, or other commonly understood concept.
- (F) Please define and explain the difference between the terms “suburban” and “ex-urban” as you use those terms in your testimony.

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- (G) With respect newspapers that are published in rural communities, please provide the percentage of those newspapers that is distributed via the mail.
- (H) With respect newspapers that are published in suburban or ex-urban communities, please provide the percentage of those newspapers that is distributed via the mail.

RESPONSES:

- (A) This survey was, as I said, an informal information survey designed for in-house use at NNA, but I reviewed it to see whether it provided additional insights into newspaper distribution. The methodology was a census-type survey distributed through the commercial vendor Survey Monkey, and offered to NNA's entire 2,350 member database which includes 800-900 owners with email addresses. Respondents were self-selected. There was neither intention nor attempt to qualify the respondents as statistically valid. But the responses were generally in line with what I observe myself about the industry as I provide consulting services to newspapers.
- (B) The survey was first circulated on April 9, 2012. The survey is still open for member response, but no new participants have responded since May 8, 2012.
- (C)–(D) The complete survey, both questions and responses is provided in an Excel spreadsheet marked in response to this question.
- (E) I think of a "community" as an adjective defining a type of newspaper as primarily denoting a small town, although it can also describe a suburb, an exurb, an urban neighborhood, or even an interest group. For example, the newspaper published by my church is an NNA member and it is circulated by Periodicals mail to the 25,000-plus community of people who are interested in the congregation of my church.

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NNA/USPS T1-6 (con't)

- (F) My own rule of thumb is that a suburb is immediately attached to an urban area, while an exurb is 15-30 miles away from the urban center. Using the Washington DC metro area as an illustration, I would consider Arlington, VA, a suburb, while Loudoun County, where my company published a community newspaper in the past decade, is an exurb.
- (G) I am not sure whether you mean the total number of copies distributed by mail or the number of newspaper companies that use the mail. I do not have the former data, but virtually all NNA members use the mail for some part of their circulations. I know that from personal conversations with many, many publishers and from previous NNA surveys. For rural communities, because of the low density of household distribution, the mail is particularly critical.
- (H) I do not know. But in my experience, suburban newspapers are generally more likely to use private carrier forces because most of these free newspapers are not eligible for Periodicals mail. Also many, like the Gaithersburg Gazette in the Washington area, are owned by the metro newspapers in their area that have the large systems available to set up and manage carrier forces.

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USPS/NNA-T1-7. Please refer to your testimony on page 7, lines 17 through 18. You state, “[M]any of our small dailies still use private carrier forces.”

- (A) Please confirm that the term “private carrier forces” refers to all persons or entities other than the Postal Service that deliver newspapers to homes or households. If not confirmed, please explain what you mean by the term “private carrier forces” and whether there are distributors other than “private carrier forces” and the Postal Service that deliver newspapers to homes or households.
- (B) Please confirm that the term “small dailies” refers to newspapers that are each published at least five days per week. If not confirmed, please explain what you mean by the term “small dailies.”
- (C) For each carrier listed in (i) through (iii) below, please provide the percentage of “small dailies” that use such carrier for the delivery of newspapers to homes or households.
 - (i) The Postal Service.
 - (ii) “Private carrier forces.”
 - (iii) A person or entity other than the Postal Service or a private carrier.
- (D) With respect to the “small dailies” that use the Postal Service for the delivery of newspapers to homes or households, please provide:
 - (i) the percentage of such newspapers that are published in rural communities; and
 - (ii) the percentage of such newspapers that are published in suburban or ex-urban communities.
- (E) With respect to the “small dailies” that use “private carrier forces” for the delivery of newspapers to homes or households, please provide:
 - (i) the percentage of such newspapers that are published in rural communities; and
 - (ii) the percentage of such newspapers that are published in suburban or ex-urban communities.

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- (F) With respect to the “small dailies” that use a person or entity other than the Postal Service or a “private carrier” for the delivery of newspapers to homes or households, please provide:
- (i) the percentage of such newspapers that are published in rural communities; and
 - (ii) the percentage of such newspapers that are published in suburban or ex-urban communities.
- (G) Are you aware of other types of “dailies” other than “small dailies”? If so, please describe the newspaper and identify the portions of your testimony that pertain to such newspapers.

RESPONSES:

- (A) Confirmed.
- (B) Confirmed.
- (C) I have done no industry studies of the distributions of small dailies, but my consulting experience tells me that many daily newspapers with circulations under 30,000 have either shifted to the mail or were giving serious consideration to doing so until the Postal Service’s financial problems began to be revealed around 2009. Now, many of those publishers have been frightened off from the mail, believing USPS may not be able to maintain past service standards or 6-day delivery.
- (D) I do not know, except that finding a small daily in a suburban area is relatively rare outside of very large cities like Chicago. Most suburban newspapers are weekly or twice weekly. Small dailies are usually published in small towns serving more rural areas.
- (E) See my response to (D).
- (F) See my response to (D).
- (G) Besides “small dailies,” there are, of course, metropolitan dailies like the Washington Post or New York Times. Most states have 3-5 metro dailies. I have spent my career with the community newspaper industry primarily and my testimony concerns the community papers.

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USPS/NNA-T1-8. Please refer to your testimony on page 7, lines 18 through 23. You state, “The conversions we saw just 3-4 years ago to mail due to high gas prices on motor routes have largely ceased, as publishers are discouraged by the many uncertainties of postal rates, days of delivery and network changes. With gas prices even higher now than in 2008, I have to conclude that it is only the upheaval in the mailing world that is keeping these newspapers from flocking to the mail.”

- (A) Please identify and/or describe the persons or entities that constitute “publishers” as you use that term in the quoted portion of your testimony. Please include in your explanation whether the term “publishers” includes NNA members only and whether the term includes publishers of newspapers only. Please also state the total number of “publishers.”
- (B) Please confirm that the phrase “conversions...to mail” as you use it in your testimony refers to a publisher’s decision to change the carrier providing home/household delivery for some or all of its periodicals from an entity other than the Postal Service to the Postal Service. If not confirmed, please describe the phrase “conversions...to mail” as you use it in your testimony.
- (C) Please provide the number of publishers that were using the mail to distribute periodicals during the time immediately prior to the “conversions...to mail” referenced in this portion of your testimony. If the number of publishers is not known, please provide the percentage of the total number of publishers that were using the mail to distribute periodicals during the time immediately prior to the “conversions...to mail” referenced in this portion of your testimony.
- (D) Please provide:
 - i. the number of publishers that converted “to mail” during the time period discussed in your testimony (*i.e.*, “just 3-4 years ago”), or, if the number of publishers is not known, the percentage of the total number of publishers that converted “to mail” during the time period discussed in your testimony;
 - ii. the time period during which these conversions “to mail” took place (*i.e.*, the month and year the conversions began and the month and year the conversions ended); and
 - iii. all documents or other sources you relied upon in support of your statement that these conversions were “due to high gas prices on motor routes.

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USPS/NNA T1-8 (con't)

- (E) Please provide:
- i. the number of publishers that converted “to mail” after the time period discussed in your testimony (*i.e.*, “just 3-4 years ago”) to the present, or if the number of publishers is not known, please provide the percentage of the total number of publishers that converted “to mail” after the time period discussed in your testimony to the present; and
 - ii. the time period during which these conversions took place.
- (F) Please provide all documents or other sources you relied upon in support of your statement that “gas prices” are “even higher now than in 2008.”
- (G) Please confirm that the phrase “days of delivery” as used in your testimony refers exclusively to the Postal Service’s proposal to transition from six-day delivery to five-day delivery. If you do not confirm, please explain what you mean by “days of delivery.”
- (H) Please confirm that the phrase “network changes” as used in your testimony refers exclusively to the Postal Service proposal in this docket. If you do not confirm, please explain what you mean by “network changes.”
- (I) Please define or describe the phrase “uncertainties of postal rates.” In so doing, discuss the frequency of change and the percentage increases (or decreases) in postal rates paid since 2007 by publishers who use the mail to distribute periodicals.
- (J) Please confirm that the phrase “upheaval in the mailing world” is referring exclusively to “uncertainties” with respect to (1) the “days of delivery,” (2) “network changes,” and (3) “postal rates” as you have used those terms and phrases in your testimony. If not confirmed, please define the phrase “upheaval in the mailing world.” In your definition, please identify which, if any, of the following items is encompassed by that definition: “uncertainties” with respect to (1) the “days of delivery,” (2) “network changes,” and/or (3) “postal rates.”
- (K) Please provide any documents or records that you received from publishers that support your statement that “upheaval in the mailing world” is the “only” factor (or collection of factors) that is deterring a newspaper, that would otherwise use the Postal Service, from “flocking to the mail.”

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USPS/NNA T1-8

RESPONSES:

- (A) By “publisher,” I mean the person who is the top executive officer at a newspaper. In NNA, these individuals are usually, but not always, owners of the newspapers as well. In this statement, I am referring both to NNA members and non-members.
- (B) Confirmed.
- (C) I have done no industry studies of distribution practices of small dailies, but in my nearly 30 years of consulting, I rarely found a daily newspaper distributed by mail until the late 1990s. In the decade following, several large newspaper groups made wholesale conversions to the mail, including CNHI Newspapers based in Montgomery, AL; GateHouse Media based in Fairport, NY; American Consolidated Media in Irving, TX; Heartland Publications in Clinton, CT; and Lancaster Group, a decentralized partnership. I was involved in advising several of these newspapers on how to use the mail for regular daily distribution. Many of these got warm welcomes from local postmasters, while others encountered only obstacles and “shall nots.”
- (D) I have no quantitative data to provide, but in my consulting experience I found high fuel prices to be the prime motivator in converting to the mail. The reliability of carrier-routed mail entered at delivery offices, and the administrative cost in recruiting, contracting, and training carriers, savings in redeliveries and handling customer complaints for missed deliveries, were also motivators.
- (E) Again, I have no quantitative data and I do not keep files with this amount of detail on my consulting clients. But the wave of conversions I mention in my testimony began in approximately 2007 and continued at a regular pace through about 2010 and early 2011

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USPS/NNA T1-8 (con't)

- (F) In my area around Louisville, Kentucky, gas prices exceeded \$4 a gallon and appeared to be headed toward \$5 a gallon earlier this year. I do not believe prices in my area were that high during the price spikes of 2007-8. The Energy Information Administration of the federal government provides historical prices here through 2010.

<http://www.eia.gov/totalenergy/data/annual/showtext.cfm?t=ptb0524>.

Although these official data do not include 2011 and 12, it appears the price spikes were in 2007-8. I am relying on my own observations otherwise.

- (G) Confirmed.
- (H) I mean the totality of the changes in transportation routes, labeling lists and facilities closures and consolidations that have been occurring since 2006, and especially the more draconian proposals associated with this case.
- (I) I am referring here to several rate possibilities that have loomed before our industry, including the Postal Service's proposed exigency rate increase in 2010 and legislative proposals that would impose immediate price increases upon the so-called under-water products.
- (J) Confirmed. Anything that creates disruption in otherwise reliable distribution systems is upheaval for time-sensitive publications. Our industry has also been plagued by SOX enforcement since 2009, and our relationship changing from "valued customer" to an adversarial relationship in many cases, where rules enforcement trumps customer-friendly treatment and appreciation

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USPS/NNA T1-8

(K) My email archives are not maintained in a systematic fashion, but I have searched through those I can find to provide some email strings responsive to this question. In some cases this discussion began with a telephone conversation so the full context may include facts not listed here. In general, though, they are a good sample of the case work I handle for NNA. These emails are included below, enumerated 1 to 7. I have inserted an [END OF EMAIL] after each string to make them easier to follow. In most cases, you have to start from the bottom of the string and read up to understand the conversation.

- 1) This is from a newspaper owned by CNHI, Inc., which was having difficulty providing marked advertising copies under the SOX rules.

From: Greta Sanderson [<mailto:greta.sanderson@reporter.net>]
Sent: Tuesday, January 24, 2012 12:06 PM
To: Max Heath
Cc: hbird@cnhi.com
Subject: RE: Galax VA 3541 submission on Monday after Saturday entry

Max,
We're being told by our local post office that we now need to bring our redline paper for Saturday on Saturday, not Monday, as we have been doing. Do you know about a change in USPS policy? Keep in mind that we publish Tuesday to Saturday. That would require me to have a staff person in on Saturday to do it, which I'd like to avoid.
Thanks,
Greta

From: Max Heath [<mailto:maxheath@lcnj.com>]
Sent: Thursday, October 22, 2009 1:09 PM
To: greta.sanderson@reporter.net
Cc: JoAnn Reed
Subject: FW: Galax VA 3541 submission on Monday after Saturday entry
Importance: High

Here is one USPS HQ solution in Galax VA for situation where office is open on Saturday but you are not. See if it works and share with postmaster. She is free to contact Cher Rupp-Ruggeri. If post office is NOT open, I have another ruling.

Max M. Heath
Postal Consultant
Publishing Group of America (American Profile, Relish, Spry magazines)

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USPS/NNA T1-8

From: Rupp-Ruggeri, Cher - Washington, DC [<mailto:cher.rupp-ruggeri@email.usps.gov>]

Sent: Fri 8/29/2008 10:14 AM

To: Max Heath; cgburress@comcast.net; Alley, Davalon L - Galax, VA

Cc: Lease, Jerome M - Washington, DC; Deannie Baxter; Kim Hogan; Laurie Stone-Seigle; Galaher, Robert I - Rosslyn, VA

Subject: RE: Galax VA 3541 submission on Monday after Saturday entry

Good morning all. I just got off the phone with PM Alley and he advises that he has a clerk available every Saturday to accept, verify, and dispatch mailings. The Galax Gazette will have to present a postage statement on Saturdays when the newspaper is deposited for mailing. If no marked copy is available the marked copy can be presented the following Monday (or Tuesday if Monday is a holiday). The postage statement must include a percentage of advertising that is comparable to the previous issue. This postage statement will be entered into *PostalOne!* on Saturday and will be reversed when the marked copy and a new postage statement for that issue is presented. Does this clarify?

Please do not hesitate to contact me should you have questions or comments? Thank you.

Cher Rupp-Ruggeri
Classification Support Specialist, Sr.
Business Mail Acceptance/PostalOne!
USPS Headquarters
475 L'Enfant Plaza SW, Room 2P846
Washington, DC 20260-0846
phone: 202-268-4019
fax: 202-268-8273
cher.rupp-ruggeri@usps.gov

-----Original Message-----

From: Max Heath [<mailto:maxheath@lcni.com>]

Sent: Monday, August 11, 2008 3:05 PM

To: cgburress@comcast.net

Cc: Lease, Jerome M - Washington, DC; Rupp-Ruggeri, Cher -

Washington, DC; Deannie Baxter; Kim Hogan; Laurie Stone-Seigle

Subject: Galax VA 3541 submission on Monday after Saturday entry

Chuck, the language that I think should work is pasted below. I am copying two good folks in USPS HQ who can help vouch for this, or

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USPS/NNA T1-8 (con't)

correct me if I'm wrong. Show the postmaster this e-mail with special note to the paragraph starting "Postage on all mail..." Next business

day is Monday after you drop on Saturday and there are no employees available at our office to finalize the ad % and weight. We are a CAPS site and our money is always available.

I have been working with BMA and their team of consultants to incorporate language concerning overnight drop in a revision to the DM-109. Language has been accepted and approved and will be published in an update to the handbook. Here is the approximate language we will be going by in the future:

Postage on all mail must be fully prepaid at the time of mailing, with limited exceptions. There are a large number of time-sensitive Periodicals that are produced and delivered during early hours of the day to the Post Office for mailing, often referred to as overnight drops. In such situations, as long as sufficient funds are on advance deposit to ensure that a negative balance is not incurred, it is permissible for the publisher to make an overnight drop and submit the postage statement and marked copy (if applicable) later that same business day, or the next business day following a weekend or holiday closing. BME managers/ Postmasters must make arrangements with publishers to ensure that a monthly random in-depth verification is performed on each publication that arrives via overnight drop, e.g. verification on site or arrival at USPS.

As you can see, it's handbook language versus the terse statements in my previous emails, but the concept of overnight drop is acceptable. You may use this language and my email to solve immediate issues while the handbook is being updated and made available to the field. I have copied

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USPS/NNA T1-8 (con't)

Anthony Frost and Karen Magazino of BMA to make them aware of my sharing this email with you.

Jerry (Lease)

Max M. Heath
Postal Consultant
Landmark Community Newspapers, Inc.
PO Box 549
Shelbyville KY 40066-0549
502-633-4334 Ext. 156 (Direct dial 502-513-1156)
Fax: 502-633-4447
maxheath@lcni.com

-----Original Message-----

From: cgburress@comcast.net [<mailto:cgburress@comcast.net>]
Sent: Monday, August 11, 2008 2:52 PM
To: Max Heath
Subject: RE: Postal Issue

Max:

Our issue was the postmaster starting to require that we hand in our postal reports with each issue, which isn't really possible when our Monday issue is printed and mailed on Saturday.

You said you thought you could send us a favorable ruling on this.

Thanks.

Chuck [END OF EMAIL]

2. Here is another on the change in postage statement requirements from a New York newspaper

From: Jeanne Straus [<mailto:jeanne.straus@strausnews.com>]
Sent: Friday, January 06, 2012 4:33 PM
To: Max Heath
Cc: Tia Bertolotti
Subject: Various

Max:
Hi

RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION WITNESS MAX HEATH TO INTERROGATORIES OF USPS

USPS/NNA T1-8 (con't)

- 1) What does the Jan 22 rate increase mean for our 9 periodical requestor pubs?
- 2) Our local PO is getting on to Postal One. Dawn at MSSl says it's a big deal to get qualified to be able to upload her postage statements. True?
- 3) Local PO is putting a lot of pressure on us to file the paperwork the same day the paper gets delivered. I told him I thought the regs were (as long as we had enough \$ in our account) that we had 24 hours. Am I correct?
- 4) Separate email coming shortly on the nature of address change problem.

Thanks,
Jeanne

Jeanne Straus. President. Straus News

20 West Ave. Chester, NY 10918

845-469-9000 845-469-9001

www.strausnews.com

NJ: Advertiser-News(North).Advertiser-News(South).Sparta Independent.Township Journal.West Milford Messenger

NY: Warwick Advertiser.Photo News. Chronicle

PA: Pike County Courier

[END OF EMAIL]

3. Another example of a problem arising from an erroneous mail processing direction, where newspapers that should have been held at a local post office were sent unnecessarily to a processing plant, delaying the newspaper by a day. Note that even the postal supervisor is having difficulty here getting the postmaster to correct the practice.

From: Collins, Donna P - New Orleans, LA [<mailto:donna.p.collins@usps.gov>]

Sent: Monday, December 05, 2011 1:49 PM

To: Darrin Guidry

Cc: Max Heath

Subject: RE: problems with local Houma LA deliveries

Thanks Darrin.

You are so correct. I can't keep up either ☺. But, if you are able to send me the list where you plan to drop, I will send a message to confirm the location.

**RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION WITNESS MAX
HEATH TO INTERROGATORIES OF USPS**

USPS/NNA T1-8

Donna Collins
Mgr. Consumer & Industry Contact

From: Darrin Guidry [<mailto:darrin@tri-parishtimes.com>]
Sent: Monday, December 05, 2011 8:56 AM
To: Collins, Donna P - New Orleans, LA; 'Max Heath'
Cc: tonda@nna.org; Pam@LAPRESS.com
Subject: RE: problems with local Houma LA deliveries
USPS/NNA T1-8 (con't)

Houma is being dispatched locally and we hope to begin dispatching the rural post offices in the next few weeks. We are having trouble keeping up with the dispatch changes. The USPS is making more changes next month. Thank you and Max for all of your help!

Darrin Guidry
Publisher
Tri-ParishTimes & BusinessNews
Gumbo Entertainment Guide
4924 Hwy 311, Houma, LA 70360
985-876-3008 (voice)
985-876-0950 (fax)

From: Collins, Donna P - New Orleans, LA [<mailto:donna.p.collins@usps.gov>]
Sent: Wednesday, November 16, 2011 1:50 PM
To: Max Heath
Cc: darrin@tri-parishtimes.com; tonda@nna.org; Pam@LAPRESS.com
Subject: RE: problems with local Houma LA deliveries

Good Morning All,
I just spoke with Selwyn Sonderson, Postmaster Houma La., who assured me that the CRRT newspapers that are dropped at his DDU will be kept there for delivery and will NOT be sent to any plant for processing. He said if the papers are dropped to him before 9:00 a.m., he should be able to deliver the same day, otherwise they will be delivered the following day as if they had come in after 9.
Please let me know if there is anything else I may be able to assist you with.

Donna Collins
Mgr. Consumer & Industry Contact

RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION WITNESS MAX HEATH TO INTERROGATORIES OF USPS

USPS/NNA T1-8

From: Max Heath [<mailto:maxheath@lcn.com>]

Sent: Tuesday, November 15, 2011 7:39 PM

To: Collins, Donna P - New Orleans, LA

Cc: darrin@tri-paristimes.com; tonda@nna.org; Pam@LAPRESS.com

Subject: RE: problems with local Houma LA deliveries

Thanks for your quick and thorough response. Please copy this group via Reply All when you get the final answer. I am in Atlanta, flying out about 10 a.m. Wednesday, 9 a.m. your time. I may be out of contact for several hours after that.

Max M. Heath

Postal Consultant

Publishing Group of America (American Profile, Relish, Spry magazines)
Landmark Community Newspapers, LLC (56 newspapers & 7 college
sports publications)

National Newspaper Association, Postal Chair and MTAC rep

PO Box 549 Shelbyville KY 40066-0549

Ph. 502-513-1156

Fax 502-633-4447

Cell 502-649-8822

From: Collins, Donna P - New Orleans, LA [<mailto:donna.p.collins@usps.gov>]

Sent: Tue 11/15/2011 8:29 PM

To: Max Heath

Subject: RE: problems with local Houma LA deliveries

Good Evening Max,

Resolution to this is in progress.

Before attempting to contact the Houma post office, I spoke with both our Sr. Plant Manager and In-Plant Manager to confirm that the Houma Post Office was not instructed to send CRRT mail to NOLA for processing. I was advised that Houma is supposed to keep this mail at the Houma facility for delivery... as you and I both know, additional processing is not required on the CRRT mail at offices without FSS processing. NOLA does not have an FSS machine so this mail would just be turned around back to Houma only delaying delivery.

I was not successful with speaking with the Postmaster at Houma earlier this evening, but I will call him in the morning to follow up. I will send you an email with the results of that conversation.

RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION WITNESS MAX HEATH TO INTERROGATORIES OF USPS

USPS/NNA T1-8 (con't)

Thank you for your business and your patience while I try to get this resolved.

Donna Collins
Mgr. Consumer & Industry Contact

From: Max Heath [<mailto:maxheath@lcn.com>]
Sent: Tuesday, November 15, 2011 10:41 AM
To: Collins, Donna P - New Orleans, LA
Cc: tonda@nna.org; Shambra, Nicholas J - New Orleans, LA; darrin@tri-parishtimes.com; Pam@LAPRESS.com
Subject: FW: problems with local Houma LA deliveries

Donna, thanks so much for working with this situation to correct the DDU drop being miss-sent to NOLA, and understanding the problem in item 1 below so quickly.

Max M. Heath
Postal Consultant
Publishing Group of America (American Profile, Relish, Spry magazines)
Landmark Community Newspapers, LLC (56 newspapers & 7 college sports publications)
National Newspaper Association, Postal Chair and MTAC rep
PO Box 549 Shelbyville KY 40066-0549
Ph. 502-513-1156
Fax 502-633-4447
Cell 502-649-8822

From: Tonda Rush [<mailto:trush@americanpressworks.com>]
Sent: Mon 11/14/2011 4:49 PM
To: darrin@tri-parishtimes.com; Max Heath
Subject: problems with local Houma LA deliveries

Max, Darrin Guidry at Tri-Parish Times phoned today to say his local Houma postmaster is dispatching ***all*** mail from Houma to the processing center in New Orleans, which is now destined to close and send mail even further to Baton Rouge.

He needs several things:

1. Help persuading the Houma post office to hold the CR presorted Houma zip codes locally, and not sending those copies to NOLA.

RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION WITNESS MAX HEATH TO INTERROGATORIES OF USPS

USPS/NNA T1-8 (con't)

USPS/NNA T1-8 (con't)

2. Darrin needs to get his printer converted to flats tubs. He just needs a word from you to the printer on why this is necessary.
3. Darrin needs now to set up exceptional dispatch to keep as much mail as possible from migrating to Baton Rouge. He thinks he may need to set up as many as 12 drops. I thought I had a copy of the exceptional dispatch form letter that you created a while back, but I guess I do not.
He's already losing a day in service since this switch. If NOLA closes, he will lose more than that. His printer is capable of meeting a 3 pm. CET in Houma. Can you help this member newspaper?
Tonda

[END OF EMAIL]

4. Here the entire mailing was held up because of a misunderstanding on how bundles were to be prepared. Past practice of USPS was to move the mail first and correct charges later if necessary. Now newspapers find themselves in a more rigid environment. The entire value of an issue can be lost for some stories and advertisers when delivery is delayed.

-----Original Message-----

From: bpalmer@dailytribune.net [<mailto:bpalmer@dailytribune.net>]
Sent: Wednesday, November 23, 2011 8:16 AM
To: Max Heath
Subject: RE: corrected qual rpt and 3541

Max,

Thanks this appears to be addressing the issue. Franks is not answering the phone right now, so we're more than a little lost.

But if we are CASS certified isn't that supposed to take care of these issues and give us a degree of immunity?

bob

Quoting Max Heath <maxheath@lcni.com>:

> Sorry to be so nerdy, but there CAN be some sacks/trays below
> 24 as
> exceptions. These include your SCF or origin, an OMX sort, and
> the

RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION WITNESS MAX HEATH TO INTERROGATORIES OF USPS

> MADC sort/container. I am attaching a link to a Quick Service Guide

USPS/NNA T1-8 (con't)

> that may be helpful to you. Of course, he may be asking for something

> above and beyond these three. Also showing some exceptions to bundling, but not below 24 in container.

>

> <http://pe.usps.gov/text/gsg300/Q707e.htm>

>

> DMM 707.22.4 Bundles With Fewer Than Six Pieces

>

> Nonletter-size Periodicals may be prepared in 5-digit and 3-digit

> bundles containing fewer than six pieces when the publisher determines

> that such preparation improves service. Pieces in these low-volume

> bundles must be claimed at the applicable mixed ADC price

> (Outside-County) or basic price (In-County). Low-volume bundles are

> permitted only when they are sacked or prepared on pallets as follows:

>

> a. Place bundles in only 5-digit, 3-digit, and SCF sacks that contain

> at least

> 24 pieces, or in origin/entry SCF sacks, as appropriate.

>

> _____

>

> From: Bob Palmer [<mailto:bpalmer@dailytribune.net>]

> Sent: Tue 11/22/2011 4:55 PM

> To: Kincade, Charles H - Little Rock, AR; Max Heath

> Subject: Re: corrected qual rpt and 3541

>

>

> Mr. Kincade,

> Then why are you telling Angie to break out a sack with 22 pieces?

>

> We only desire to have our report in compliance with Postal

> regulations, but this appears to be totally incorrect. It would seem

> reasonable that you would permit us to continue mailing until these

> matters are resolved.

>

> Palmer

>

>

RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION WITNESS MAX HEATH TO INTERROGATORIES OF USPS

> On 11/22/2011 3:50 PM, Kincade, Charles H - Little Rock, AR
wrote:
>
> Mr. Palmer,

USPS/NNA T1-8 (con't)

> I said your mail would not be held up if there were no
problems.

> Based upon the qualification report for today, there are
problems.
> The bundle requirement is based upon 6 addressed pieces and the
> sacking requirement is based upon 24 addressed pieces. I am
working
> with Angie to try and get this corrected for you, as well as
some
> incorrect sack sortation errors that are showing up on today's
> qualification report.

>
>
>
> Charles Kincade
> Business Mail Entry/Mailing Requirements
> 420 Natural Resources Dr
> Little Rock AR 72205-9651
>
> ph: (501)228-4125
> fax: (501)228-4299
>
>
>

>
>
> From: Bob Palmer [<mailto:bpalmer@dailytribune.net>]
> Sent: Tuesday, November 22, 2011 3:45 PM
> To: Kincade, Charles H - Little Rock, AR; Max Heath;
tom@arkansaspress.org
> Subject: Re: corrected qual rpt and 3541

>
>
> Mr. Kincade,
>
> After assuring me you would not hold up the Little River
News
over
> minor technicalities, that is exactly what you are doing.
Further you
> do not seem to understand postal regulations, yourself.
> You are demanding we break out a bundle when there are not
24
copies

RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION WITNESS MAX HEATH TO INTERROGATORIES OF USPS

> in that bundle. That is just wrong.
>
> Bob Palmer
>

USPS/NNA T1-8 (con't)

Here's the tweaked update, not much change, but does
account for
the
> 755 mail. Hope this helps.
>

> Charles Kincade
>
> Business Mail Entry/Mailing Requirements
>
> 420 Natural Resources Dr
>
> Little Rock AR 72205-9651
>
>
>
> ph: (501)228-4125
>
> fax: (501)228-4299

[END OF EMAIL]

5. Here is an instance where a time sensitive mailing was simply left on the post office dock, without notification to the publisher.

From: Beverly Puhalla [\[mailto:beverly@tecumsehchieftain.com\]](mailto:beverly@tecumsehchieftain.com)
Sent: Saturday, November 12, 2011 5:48 PM
To: Max Heath
Subject: Re: Tecumseh Post Office

So you are working on Saturday also!

We spent \$14,750 in the Tecumseh post office in the past year. I am trying to find out what percent this is of the total revenue earned at that post office.

Is that possible.

This is a customer service issue. The driver left all the mail sacks on the dock Weds night (68% of our newspapers). With Friday being Veterans Day most of those papers were not delivered until Saturday or after. We were able to get most of the in-county

RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION WITNESS MAX HEATH TO INTERROGATORIES OF USPS

papers delivered because my staff and I took them to the county post offices. Two offices went to Tecumseh and picked up their sacks.

USPS/NNA T1-8 (con't)

My Tecumseh postmaster did not call the office to inform us. We only found out because my husband was in the Pawnee City PO about 9:15 and they told him they did not get the Tecumseh papers.

The Tecumseh postmaster casually informed one of my staff when she went to the post office on her day off at about 9:00 or a little after. The PM never bothered to call our office, or any of the other area post offices, nor did she attempt to do anything, that I know of, other than call, or email, her superiors who told her to put the sacks on the truck when it came again at 6:00 p.m. on Thursday.

To be fair, four of the other county postmasters were very helpful to us. But as I see it the post office does NOT have a corporate culture which stresses customer service. This mistake was made by the truck driver but the PM certainly was not making any attempt to be pro-active and try to get as much mail out of her office as she could.

I will be writing to her superiors and after gathering some more information will be writing an editorial in my paper which will also go to Pub Aux.

So my question is: Am I one of, if not the largest customer of the Tecumseh Post Office and this how they take care of me and the rest of the community?

Well that is more than you probably wanted to read on a Saturday. Nebraska 17...Pen State 14...go Huskers!...really sad situation in PA

Bev

Beverly J Puhalla
Publisher
Sunrise Pulication
Pawnee Republican~Tecumseh Chieftain
402-335-3394

On 11/12/2011 5:08 PM, Max Heath wrote:

No, not any more. PmG Runyon, over NNA's objections, in the mid-1990s moved postage statements to a confidential business record. The only thing that is open is the Statement of Ownership, which is published. Nothing would stop you of reminding the postmaster of the rule: No more than 75% advertising in more than half the issues of a General (paid) periodical.

**RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION WITNESS MAX
HEATH TO INTERROGATORIES OF USPS**

Max M. Heath

Postal Consultant

Publishing Group of America (American Profile, Relish, Spry magazines)

USPS/NNA T1-8 (con't)

Landmark Community Newspapers, LLC (56 newspapers & 7 college
sports publications)

National Newspaper Association, Postal Chair and MTAC rep

[END OF EMAIL]

6. This is about a newspaper in Rome GA that attempted to use overnight drop
to enter his newspapers under the provisions of DM 109 and was told his
newspapers could not go out.

From: Dan Mozley [<mailto:dmozley@npco.com>]

Sent: Thursday, September 01, 2011 7:46 AM

To: Max Heath

Cc: Rupp-Ruggeri, Cher - Washington, DC; Tonda

Subject: Re: DM 109 Periodical help Rome GA

Great Max, thanks to all.

Also, Ms. Rupp-Ruggeri will Neal Dean help us set up the same DM109
permission for Cedartown Standard (30125).

I am on the PCC in Atlanta and know Neal and will be glad to work with
him.

Thanks again. Dan

Dan Mozley
News Publishing Co
Rome, GA 30161
706-290-5293

On Wed, Aug 31, 2011 at 11:14 PM, Max Heath <maxheath@lcni.com>
wrote:

Each of them has to be approved separately. Spread sheet calculating 12-month mail
volume is needed for decision purposes. Glad to help. Cher is the real helper here, and a
liaison with NNA on these matters.

Max M. Heath

Postal Consultant

Publishing Group of America (American Profile/Relish/Spry)

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Fax [502-633-4447](tel:502-633-4447)
Cell [502-649-8822](tel:502-649-8822)
maxheath@lcni.com

From: Dan Mozley [mailto:dmozley@npco.com]
Sent: Wednesday, August 31, 2011 10:40 PM
To: Max Heath

Cc: Rupp-Ruggeri, Cher - Washington, DC; Tonda
Subject: Re: DM 109 Periodical help Rome GA

Yes, I will pass along our conversations to Burgett Mooney our president.

We have other weekly papers so do I need to do something to get them approved for overnight delivery or is a copy of DM 109 sufficient?

I appreciate all the help. Dan

Dan Mozley
News Publishing Co
Rome, GA 30161
[706-290-5293](tel:706-290-5293)

On Wed, Aug 31, 2011 at 5:45 PM, Max Heath <maxheath@lcni.com> wrote:

[And thank you, Cher, once again, and Exalted NNA Princess.](#)

[Dan, I assume you are an NNA member as part of the Rome GA group?](#)

Max M. Heath

Postal Consultant

Publishing Group of America (American Profile/Relish/Spry)
Landmark Community Newspapers, LLC (56 newspapers & 7 college sports
publications)

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National Newspaper Association (Postal Chair/MTAC rep)
PO Box 549
Shelbyville KY 40066-0549
Ph. [502-513-1156](tel:502-513-1156)

USPS/NNA T1-8 (con't)

From: Rupp-Ruggeri, Cher - Washington, DC [mailto:cher.rupp-ruggeri@usps.gov]
Sent: Wednesday, August 31, 2011 4:50 PM
To: Dan Mozley
Cc: Max Heath; Tonda

Subject: RE: DM 109 Periodical help Rome GA

Good afternoon all. I will contact the Rockmart Postmaster and Neil Dean and get the ball rolling to get your publication approved for overnight deposit. Thank you.

Cher Rupp-Ruggeri
Marketing Specialist
Business Mail Entry & Payment Technology
600 West Rock Creek Road
PO Box 1600
Norman, OK 73070-1600
Phone: [405-573-2513](tel:405-573-2513)
Fax: [651-456-6455](tel:651-456-6455)

From: Dan Mozley [mailto:dmozley@npco.com]
Sent: Wednesday, August 31, 2011 4:18 PM
To: Rupp-Ruggeri, Cher - Washington, DC
Cc: Max Heath; Tonda
Subject: Re: DM 109 Periodical help Rome GA

No, we deposited the Rockmart Journal (periodical) at the Rockmart PO 30153 this morning at 7:30am before normal business hours and yes with no paperwork.

We had a story that affected the entire county (Polk) so we held our usual print schedule to overnight.

I thought we could use DM 109 and we notified Rockmart PO of late delivery. I checked with Pmaster this morning and was told papers would not go out the door for delivery unless we submitted paperwork and that DM 109 was no longer valid for overnight drops, ie , paper work or it does not leave the post office.

Postmaster had checked with Neal Dean about the DM 109. I was told this morning it is no longer valid for overnight drops per Mr. Dean.

RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION WITNESS MAX HEATH TO INTERROGATORIES OF USPS

I have emailed Mr. Dean for copy of new DM 109 and options for overnight delivery but have not heard back from him as of 4:15 EDT.

USPS/NNA T1-8 (con't)

Thank you for looking into the DM 109 rule. Dan

Dan Mozley
News Publishing Co

On Wed, Aug 31, 2011 at 3:39 PM, Rupp-Ruggeri, Cher - Washington, DC
<cher.rupp-ruggeri@usps.gov> wrote:

Good afternoon Mr. Mozley. Are you saying that you deposited your paper at the Rockmart, GA, post office this morning DURING NORMAL BUSINESS HOURS without a postage statement? Thank you.

Cher Rupp-Ruggeri
Marketing Specialist
Business Mail Entry & Payment Technology
600 West Rock Creek Road
PO Box 1600
Norman, OK 73070-1600
Phone: [405-573-2513](tel:405-573-2513)
Fax: [651-456-6455](tel:651-456-6455)

From: Dan Mozley [mailto:dmozley@npco.com]
Sent: Wednesday, August 31, 2011 2:25 PM
To: Rupp-Ruggeri, Cher - Washington, DC
Cc: Max Heath; Tonda
Subject: Re: DM 109 Periodical help Rome GA

My postmaster David Watts, Rockmart GA, 30153 was told by his district manager Neal Dean DM 109 had been changed and Watts needed paperwork before he could release/mail our periodical this morning.

Mr. Watts told me this verbally this morning when I called to see if everything was going OK. I have emailed Mr. Dean but have not heard back from him. I did request he send me a new version of the DM 109 as changed.

I appreciate your quick response since we are looking at local elections and football.

Thanks....Dan

RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION WITNESS MAX HEATH TO INTERROGATORIES OF USPS

Dan Mozley
News Publishing Co
Rome, GA 30161
[706-290-5293](tel:706-290-5293)

USPS/NNA T1-8 (con't)

On Wed, Aug 31, 2011 at 2:10 PM, Rupp-Ruggeri, Cher - Washington, DC
<cher.rupp-ruggeri@usps.gov> wrote:

Good afternoon all. No changes have been made to the DM-109 concerning the overnight deposit of Periodicals publications since November 2009. Who is advising Mr. Mozley of changes -- name (first and last) and location? Was this notification in writing or verbally? If in writing, may I have a copy of the letter? Thank you.

Cher Rupp-Ruggeri
Marketing Specialist
Business Mail Entry & Payment Technology
600 West Rock Creek Road
PO Box 1600
Norman, OK 73070-1600
Phone: [405-573-2513](tel:405-573-2513)
Fax: [651-456-6455](tel:651-456-6455)

From: Max Heath [mailto:maxheath@lcni.com]
Sent: Wednesday, August 31, 2011 1:43 PM
To: Dan Mozley
Cc: Rupp-Ruggeri, Cher - Washington, DC; Tonda
Subject: RE: DM 109 Periodical help Rome GA

I do not know of this. I'm checking with the specialist who helps us implement these for a reaction.

Max M. Heath

Postal Consultant

Publishing Group of America (American Profile/Relish/Spry)
Landmark Community Newspapers, LLC (56 newspapers & 7 college sports publications)
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Cell [502-649-8822](tel:502-649-8822)
maxheath@lcni.com

RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION WITNESS MAX HEATH TO INTERROGATORIES OF USPS

From: Dan Mozley [mailto:dmozley@npco.com]
Sent: Wednesday, August 31, 2011 12:47 PM
To: Max Heath
Subject: DM 109 Periodical help Rome GA

USPS/NNA T1-8 (con't)

Hi--hope all is well with you and yours; got a question.

Our Atlanta district is saying the DM 109 has been revised and ends the overnight drop option. All the pmasters have been told to get paperwork before the periodicals can be delivered; no more time sensitive window for small periodicals.

I have asked for a new pdf of DM 109, but have not seen it. What do you know about this? Any options?

Thanks as always. Dan

Dan Mozley
News Publishing Co
Rome, GA 30161
[706-290-5293](tel:706-290-5293)

[END OF EMAIL]

7. Finally, this string involves another newspaper that was trying to move from home delivery to the mail, and encountered repeated hurdles. Because newspapers --particularly dailies--need to be dropped overnight for the next day's carrier route, the Postal Service has permitted acceptance of the mail with paperwork to follow provided there is money in the postage account and certain criteria are met. But getting this policy to work sometimes requires intensive intervention.

From: Linnie Pride [mailto:LPride@cnhi.com]
Sent: Thursday, June 30, 2011 4:21 PM
To: Max Heath
Subject: Re: Gainesville TX problem

They hate us.

Linnie Pride

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Community Newspaper Holdings, Inc. (CNHI)
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(205) 532-6485 (Cell)
Newspaper Advertising Works!

USPS/NNA T1-8 (con't)

On Jun 30, 2011, at 4:21 PM, "Max Heath" <maxheath@lcni.com> wrote:

FYI

Max M. Heath

Postal Consultant

Publishing Group of America (American Profile/Relish/Spry)
Landmark Community Newspapers, LLC (56 newspapers & 7 college sports
publications)
National Newspaper Association (Postal Chair/MTAC rep)
PO Box 549
Shelbyville KY 40066-0549
Ph. 502-513-1156
Fax 502-633-4447
Cell 502-649-8822
maxheath@lcni.com

From: Max Heath
Sent: Thursday, June 30, 2011 4:24 PM
To: 'Rupp-Ruggeri, Cher - Washington, DC'
Subject: RE: Gainesville TX problem

Policy or no, we have had papers move into the mails since the meeting...so it can be done like Waxahachie TX, right...? Done Tuesday before last. Didn't we get some input from you on that?

I didn't know a policy was being written...

Max M. Heath

Postal Consultant

Publishing Group of America (American Profile/Relish/Spry)
Landmark Community Newspapers, LLC (56 newspapers & 7 college sports
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RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION WITNESS MAX HEATH TO INTERROGATORIES OF USPS

USPS/NNA T1-8 (con't)

From: Rupp-Ruggeri, Cher - Washington, DC [<mailto:cher.rupp-ruggeri@usps.gov>]
Sent: Thursday, June 30, 2011 4:16 PM
To: Max Heath
Subject: RE: Gainesville TX problem

Hello Max. We have not finalized the policy. I'm checking with Lauren to see where things stand today. Thank you.

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From: Max Heath [<mailto:maxheath@lcni.com>]
Sent: Thursday, June 30, 2011 4:20 PM
To: Rupp-Ruggeri, Cher - Washington, DC
Subject: Gainesville TX problem

Lucky you. Poor Marty M., et al. Are you taking complaints today? Another Ft. Worth/Felicia problem on not letting a daily convert to mail and drop overnite for next day delivery, citing a cutoff of 2009 on Overnite Drop. I called Gary Holcomb about this issue in Gainesville, TX. He said he needed to hear it from you. I explained our meeting with Pat and Pritha and an agreement that he wants our mail, and we can drop overnite dailies outside the policy with postage statement and USPS Qual Report, with money in the account or CAPS.

Felicia is the Queen of NO!

Max M. Heath

Postal Consultant

Publishing Group of America (American Profile/Relish/Spry)
Landmark Community Newspapers, LLC (56 newspapers & 7 college sports publications)
National Newspaper Association (Postal Chair/MTAC rep)
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**RESPONSES OF NATIONAL NEWSPAPER ASSOCIATION WITNESS MAX
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[END OF EMAIL]

USPS/NNA-T1-9. Please refer to your testimony on page 8, lines 1 through 7. You state, "For this mail, readers must receive it within 24-48 hours of printing for the information to be of any value to them. It is obvious that old news is not news. But when you consider the types of news readers need from newspapers--such as arts and cultural events--you can see why immediacy is critical. An announcement of a concert that arrives after the fact deprives the reader of an opportunity and an artist of an audience. The same sort of problem arises for grocery or other retail sales, voting news and any other time sensitive matter."

- (A) Please explain whether "this mail" refers to "weekly" newspapers, "small daily" newspapers, or both? (See NNA-T-1, page 7, lines 25 through 26.)
- (B) Please confirm that mail containing an announcement of a concert or other cultural event, grocery or other retail sale, or election, would still have "value" to a reader even if it were received after 48 hours of printing, provided that it was received sometime prior to the event, sale, or election. If not confirmed, please explain why such mail would have no value.
- (C) Are you aware of any studies, polls, or surveys that quantify the extent to which mail that has been received more than 48 hours after printing has deprived readers of opportunities to attend or participate in a concert or other cultural event, grocery or other retail sale, or election? If so, please identify all such studies, polls, or surveys.

RESPONSES:

- (A) The statement would apply to all newspapers.
- (B) I presume you mean "received 48 hours after printing," since printing would not usually take 48 hours. The mail would presumably have some value, but value diminishes when information is received too late to be used meaningfully. Sale dates in grocery and drug store ads and supplements, exhausted supplies of promoted items when residents arrive late for the sale, missing estate auctions, etc. are all issues with late delivery of local newspapers.

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- (C) Community newspapers typically aim for Wednesday thru Saturday publication days, meaning those are the days they want the newspaper in the mailbox because most shopping, cultural events and community activities occur on weekends. In my testimony, I am relying on my own experience in judging the timing of the news cycle so that information can reach residents on time. However, it is worth noting here that in communities where the Internet is available at home, the newspaper has a particularly difficult time remaining competitive if news is delayed. For most newspapers in my consulting practice, the paper is laid out (designed) one day, printed that night and put into the mail for delivery the following day so the news will not be stale when received.

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USPS/NNA-T1-10. Please refer to your testimony on page 8, lines 9 through 25, and page 9, lines 1 through 4. Please confirm that the Postal Service is not proposing any changes to the policies discussed on page 8, lines 15 through 25, and page 9, lines 1 through 4. If not confirmed, please identify the policy and the portion of the Postal Service's request that proposes the change.

RESPONSES:

Confirmed as to page 8, lines 15-25. But clearly I was citing a critical mass of problems facing newspapers from USPS rules changes over time, and the need to avoid one more via service-standard changes. As to page 9, lines 1 through 4, USPS has issued a final rule requiring Intelligent Mail barcode by Jan 28, 2013, and has issued Federal Register proposal to require full-service IMb by January 2014.

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USPS/NNA-T1-11. Please refer to your testimony on page 8, lines 16 through 18. You state, "Verification requirements...have caused many newspapers to miss mailing deadlines because a misinformed business mail entry clerk does not understand that Periodicals are not verified every issue."

- (A) Please identify the "verification requirements" discussed in this portion of your testimony.
- (B) For each instance in which a newspaper has missed a "deadline" due to the actions of a "misinformed business mail entry clerk," please provide:
 - (i) the name of the mailer;
 - (ii) the name of the business mail entry clerk;
 - (iii) the date of the incident or transaction; and
 - (iv) the location (*i.e.*, the name of the postal facility) where the incident took place.

RESPONSES:

- (A) Here I am referring to post office personnel who require Periodicals to be checked for weight, piece counts, advertising percentages and sometimes sortations before it is cleared into the outgoing mailstream.
- (B) I do not keep this level of detail in my files, and I rarely ask the names of postal employees, not wishing to hold them up for retribution. Please see the emails in response to USPS/NNA-T1-8 for examples of some circumstances where mail has been held up.

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USPS/NNA-T1-12. Please refer to your testimony on page 8, lines 19 through 20, where you discuss “[o]vernight entry refusals, to newspapers that have done overnight entry for a half century or more.” For each instance in which a newspaper that has performed overnight entry for a half century or more has been refused overnight entry, please provide:

- (A) the name of the mailer;
- (B) the name of the postal employee that refused overnight entry;
- (C) the date of the incident or transaction; and
- (D) the location (*i.e.*, the name of the postal facility) where the incident or transaction took place.

RESPONSES:

(A)-(D) I do not keep these files after I have helped a newspaper to solve overnight entry problems, and I rarely know the names of postal employees. I do not ask most of the time because I have no desire to hold postal employees up for retribution, though at times I will ask a management level expert at USPS Headquarters to communicate through the chain of command to straighten out a clerk who needs further direction. For more detail on the types of problems I encounter see USPS/NNA T1-8.